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ON PAGE 1C

MIAMI HERALD
5 June 1983

'New' CIA deepens U.S. involvement

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WASHINGTON — They were known as the CIA's "Family Jewels," the private sins whose public airings virtually destroyed the agency's capacity for covert action in the mid-1970s.

Eight plots to assassinate Fidel Castro. Destabilization of Salvador Allende's administration in Chile. The Bay of Pigs. The overthrow of the Diem regime in Vietnam. Snooping on American students. Opening U.S. mails.

Throughout the late 1970s, the CIA's strong-arm specialists moped, retired early or were fired as a post-Watergate Congress shined the bright light of morality on the dark corners of the spy underworld.

But now many of the CIA's covert action experts have come in from the cold, lured out of inactivity by President Reagan's vows to pull up America's socks in a worldwide contest with the Soviet bloc.

Reagan's "new" CIA has launched at least 11 covert campaigns since he walked into the White House, by far the highest number since the agency's salad days in the 1960s, U.S. intelligence sources say.

The biggest of them — in fact, the biggest CIA operation since the Bay of Pigs — is in Central America, where Reagan sees leftist subversions being fueled by Nicaragua, Cuba and the Soviet Union.

And now, public disclosures of the Central American covert operation have brought new criticism of the CIA. The controversy has grown into one of the most heated in Washington today.

Liberal congressmen want to squash the CIA campaign. There are fears that it could help trigger a war between Nicaragua and Honduras. There are high-sounding arguments that the world's leading democracy should not stoop to international skulduggery.

Administration officials adamantly defend the covert operation, saying it is an essential part of a three-legged campaign to stem the spread of Marxist insurrection in the region between the Panama Canal and Mexico's oilfields.

The campaign combines U.S. military aid to U.S. allies fighting leftist subversion, U.S. economic aid to erase the social inequities that fuel revolutions, and CIA funds to attack the perceived root of much of the trouble — Nicaragua's leftist Sandinista government.

In the past two years, Reagan has pumped more than $1 billion in economic aid and $218 million in military assistance into Central America — not counting the $19.5 million for the CIA operation.

The number of U.S. military personnel stationed in Honduras will soon rise to about 300. Fifty-five U.S. military advisers are stationed in El Salvador, and Reagan is reportedly considering sending up to least 50 others to Guatemala. Even Costa Rica, which doesn't have an army, has received U.S. military aid.

The economic aid requests have had easier sailing through Congress than proposals for military assistance. While agreeing largely on the Marxist threat to Central America, members of Congress dissent heartily over Reagan's accent on military assistance.

Unwilling to face future charges that it "lost" El Salvador, Congress grudgingly approves only part of the Reagan requests for military aid — and wraps them in a spider's web of demands for progressive reforms by the Salvadoran government.

In recent weeks, the dispute over Reagan's approach to Central America has spilled over into the executive branch, essentially pitting the National Security Council against officials in the State Department.

NSC chief William Clark and the U.S. ambassador to the United Nations Jeane Kirkpatrick, both hardliners on Central America, are now said to have the strongest voices on policy.

Deane Hinton, Reagan's appointee as ambassador to El Salvador, is on his way out. Thomas Pickering, a career diplomat now serving as U.S. ambassador to Nigeria, was named Thursday to replace him. Also on his way out is Thomas O. Enders, the assistant secretary of state for inter-American affairs who was torpedoed in part by leaked news reports that he favored negotiations with the Salvadoran rebels. He will be replaced by Langhorne (Tony) Motley, a Reagan political appointee now serving as ambassador to Brazil.

Ironically, it was Enders who supervised one of the most important covert operations ever mounted by the United States — the secret bombing of Cambodia from 1970 to 1973, when he was deputy chief of the U.S. mission in Phnom Penh.

Keeping a pledge

Reagan's staunch belief in the usefulness of covert activities, and in the threat presented by Marxist rebels in Central America, should have come as no surprise to anyone who read the GOP 1980 campaign platform.

The platform vowed Reagan would "seek to improve U.S. intelligence capabilities for technical and clandestine collection, cogent analysis, coordinated with counterintelligence and covert action."

It also deplored Cuban and Soviet intervention in Central America and "the Marxist Sandinista takeover of Nicaragua." More significantly, it promised to "support the efforts of the Nicaraguan people to establish a free and independent government."

Reagan had been campaigning for the GOP nomination as Central America virtually went up in flames. In mid-1979, Sandinista guerrillas toppled Nicaraguan President Anastasio Somoza. Six months later, Marxist insurrections exploded in neighboring El Salvador and Guatemala.

Congressional sources with access to intelligence information say that a few days after the GOP adopted its 1980 platform, several former CIA officials began forging the framework of a covert program to restore the agency's "strength" around the world.

These former CIA officials were described as "old-timers," some of them covert action specialists dismissed by the hundreds in the 1977-1978 housecleanings that followed congressional investigations into charges of CIA abuses — the so-called Family Jewels.

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Some of the "old-timers" immediately contacted Nicaraguan exiles already training for an anti-Sandinista counterrevolution. These early exercises were centered in the hills of Honduras and Guatemala and in the Florida Everglades, sometimes with help from Cuban-Americans, the sources said.

Still acting as private citizens, the one-time CIA agents told leaders of the guerrillas — then numbering 500 to 1,000 — to organize themselves in earnest because Reagan would help them launch operations to "liberate" Nicaragua.

An explosion of delight swept through the Nicaraguan communities in Miami and Honduras when they learned of Reagan's victory on Nov. 4, 1980.

Targeting Central America

An early signal that Reagan intended to honor his campaign promises of an activist CIA came when he gave the agency's directorship to William Casey, his cigar-chomping campaign manager and a World War II intelligence operative with the Office for Strategic Services (OSS).

Intelligence community sources said that within six weeks of Reagan's inauguration, Casey brought him the first plans to refurbish the CIA and rebuild its covert activities division. One area specifically targeted was Central America, then down to 20 or 30 CIA staffers from a high of 100 to 200 in the early 1970s.

Officials familiar with the many documents that Casey presented to the National Security Council (NSC) during this period said his plans were ambitious. They called for CIA funding of pro-Western groups in areas close to the choke points of world commerce, where Soviet expansionism could threaten the vital interests of the West.

Congressional sources said Casey singled out Afghanistan, Cambodia, Grenada, Guatemala, Iran, Laos, Libya and Nicaragua. The sources said several other covert campaigns were considered but later dropped.

CIA aid to Cuban exiles in Miami for a war against Castro also was considered, the sources added. The idea was rejected because of a 1962 agreement with Moscow in which the Kennedy Administration promised to leave Cuba alone in exchange for a Soviet promise not to rearm the island with nuclear missiles.

On March 9, 1981 — only six weeks after he was inaugurated — Reagan endorsed Casey's plans for CIA activities in Central America by sending the congressional intelligence committees a "finding" that the United States needed to expand its intelligence capacity in the region.

Congressional sources said CIA operatives contacted Nicaraguan exiles in Miami and Honduras shortly after the President signed the "finding" and told them that U.S. funds would be coming.

The sources said the CIA operatives also told rival leaders among Nicaraguan exiles that they had to end their bickering and merge into one fighting force in order to merit U.S. aid.

On Aug. 11, 1981, two exile groups allied themselves and established the first major anti-Sandinista army, the Nicaraguan Democratic Force, known by its Spanish acronym of FDN.

Meanwhile, the CIA's reinvigorated Directorate for Operations was rehiring hundreds of the once-shunned covert action specialists.

To free about 1,000 desks for the new arrivals, many of them assigned to deal with Central America, the CIA's entire Soviet Analysis division had to be moved from Langley to a building in Vienna, Va., congressional sources said.

In all, about 150 "new" agents were sent to Central America to lay the logistical groundwork for the covert operation against Nicaragua, the sources said.

Following an NSC meeting on Nov. 16, 1981, Reagan signed a second "finding" for a covert program to conduct paramilitary operations "against the Cuban presence and Cuban-Sandinista support infrastructure in Nicaragua and elsewhere in Central America," according to congressional sources who quoted from the classified document.

The second "finding" also directed the CIA to seek an increase in funding for the covert campaign, from $19.5 million to $22 million, so that "an expanded program in Guatemala could be initiated this fiscal year," they said.

By law, the CIA must brief the intelligence committees on the President's "findings." The panels do not approve or disapprove the covert actions, but can thwart them by withholding funds.

Congressional sources said that in the first formal briefing to the House Intelligence Committee on Dec. 1, 1981, CIA officials advised them the agency planned to organize a 500-man paramilitary force of Nicaraguan exiles. They would later merge with a 1,000-man unit then undergoing training with Honduran and Argentine military officers.

The sources, who attended many of the briefings, said Casey himself told the committees of the CIA's "minimal" and "optimal" plan. The minimal plan would only interdict the Cuban-Nicaraguan arms pipeline to El Salvador; the optimal plan would amount to an attempt to overthrow the Sandinistas.

It was the optimal plan that caused consternation among liberal congressmen. It is understood that because of these concerns, Casey downgraded later presidential "findings" to the minimal level.

The congressional sources recall that Casey repeatedly said the FDN was not strong enough to overthrow the Sandinistas, although its activities could bring about some changes within the Nicaraguan leadership.

CIA briefers assured the intelligence panel that agency involvement would be largely through third parties, many of them Argentine military officers sent to Central America because the Sandinistas were harboring Argentine leftist guerrilla leaders, the sources said.

But the briefers added that CIA personnel could be involved directly "under special circumstances," particularly attacks on Cuban targets inside Nicaragua such as Cuban military advisers. Nevertheless, the sources said, CIA briefers assured the committee that no U.S. agents would infiltrate Nicaragua.

Rep. Wyche Fowler (D., Ga.), chairman of the House intelligence oversight and evaluation subcommittee, recalled that the CIA briefers portrayed the purpose of the campaign as "arms interdiction and making the Sandinistas look inward."

"They told us," he said in a recent interview, "that the thing was designed to be specifically targeted on military installations, bridges and so forth, and that the CIA did not anticipate any loss of life of civilians."

Fowler added: "Judging from the way the CIA briefers outlined the program, I expected our people to hit a lot of [military] depots and installations."

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He said his subcommittee endorsed the basic purpose of interdicting arms supplies. action it felt was justified because of evidence showing that the Sandinistas were indeed aiding Salvadoran rebels.

But he said that. from the outset. some members expressed serious concerns about the "number and tactics of the insurgents to be supported. whether these insurgents would be under U.S. control and the possibility of military clashes between Nicaragua and Honduras."

Fowler said the concerns mounted as congressmen perceived subtle hints that the CIA might be working on something more than the "minimal" plan.

Congressional opposition

"At the beginning." Fowler said. "they told us there would only be a 500-man [Nicaraguan exile] commando force. and by early 1983 they estimated the FDN force at about 7,000.

"Everything they told us in the private briefings was immediately contradicted later by the actions of the [rebels] in the field. their statements to the press. press accounts themselves and the killings of seemingly innocent people."

The first major clash between the committee and the CIA cropped up at a briefing in mid-December 1981. when several congressmen grilled CIA officials on the stated purpose of the operation.

A few days before, the FDN's military leader. former Nicaraguan National Guard Col. Enrique Bermudez, had told journalists that the FDN's objective "is to overthrow the Communists."

CIA briefers replied that this was only the FDN's desire, not shared by the agency and not part of its program, intelligence committee officials said.

The House intelligence panel, in an unprecedented report on the Central American operation issued last May 13, said the first CIA-backed FDN attack occurred March 14, 1982. when commandos accompanied by Honduran and Argentine advisers slipped into northern Nicaragua from Honduras and blew up two key bridges. The next day, the Sandinistas imposed a tough state of emergency that is still in effect.

The FDN soon began attacking not only military or strategic targets but also villages. Civilians began to die, and congressmen launched the first attempt to stop the operation.

At an April 5, 1982, meeting, the House Intelligence Committee "considered, but rejected, motions to strike all funds for the [Nicaragua] program," said the panel's May 13 report.

It added that the committee instead adopted a secret annex to the CIA's funding resolution barring the use of CIA funds "to overthrow the government of Nicaragua or provoke a military exchange between Nicaragua and Honduras."

The first formal restrictions on the program upset the CIA. but at that time a much bigger problem was threatening the Nicaraguan campaign.

Congressional sources said that until March 1982, the Argentine government of Gen. Leopoldo Galtieri — through its military intelligence unit, Servicio de Inteligencia del Estado (SIDE) — had primary responsibility for financing and training the Nicaraguan exiles.

Under a secret CIA-SIDE arrangement, U.S. personnel only provided intelligence data on possible targets in Nicaragua and some of the money and equipment for the anti-Sandinistas, the sources said.

But when the Reagan Administration clashed with Argentina over its April invasion of the Falklands/Malvinas Islands, Galtieri recalled all of his military advisers from Central America, they said.

Some of the Argentines stayed on with the anti-Sandinistas as mercenaries, sources in Honduras said. But most returned home, forcing the CIA to assume a more direct role in advising the Nicaraguans, congressional intelligence sources said.

"We were told that the United States was not going to abandon the operation because it was vital for our security interests and because if we did, it would be remembered as a second Bay of Pigs," one source said, recalling the failed exile invasion of Cuba in 1961.

By September 1982, as the FDN's campaign picked up steam, U.S. journalists had begun peeling away the layers of secrecy surrounding the Nicaragua operation.

In December 1982, Rep. Tom Harkin (D., Iowa) tried to shut down the operation with an amendment that would have prohibited any form of support for the anti-Sandinista insurgents.

But the chairman of the House Intelligence Committee, Rep. Edward Boland (D., Mass.), deflected the move with a substitute amendment barring the use of U.S. funds to "overthrow" the Nicaraguan government or cause a war between Nicaragua and Honduras — language identical to the secret April 5, 1982, annex.

The Boland amendment passed the full House 411-0 and became a source of heated controversy during the following months.

"At the time of the adoption of [the Boland amendment] there was still a belief by the majority of members of the committee that the program could be restrained within acceptable limits," said the intelligence panel's May 13 report.

The report added that during CIA briefings in December 1982 and January 1983, committee members expressed "distress" at the growing number of CIA-backed insurgents and the bloody nature of the fighting — 500 Sandinistas and civilians killed in the first four months of 1983.

It said the "acid test" was that the Salvadoran rebels "continue to be well armed and supplied" while attacks inside Nicaragua, apparently unrelated to arms interdiction, had increased substantially.

By last April, the question of whether the CIA covert program was violating the Boland amendment was brought before the House intelligence panel as Fowler and other members moved to cut off the operation. They proposed replacing it with an above-board, $80-million program to help friendly governments in the region intercept weapons shipments.

Casey, Secretary of State George Shultz and Enders repeatedly urged the committee in private briefings not to kill the covert campaign.

They told the committee that "an end to the program of support for the anti-Sandinista insurgency could cause a cataclysmic reorientation of nations friendly to the United States," the committee report said.

"Those nations, this committee has been warned, would seek accommodation with Nicaragua and Cuba in the face of a failure of will by the United States. Floods of refugees would flock to the United States," the report noted.

Committee members said Casey also warned them that the campaign was the only chance the United States had of reversing Communist influence in Central America, and that shutting it down could cause "substantial" FDN casualties in Nicaragua.

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Despite Casey's pleas, the 14-member committee approved a bill to end the covert campaign on a 9-5 vote along party lines.

Sen. Barry Goldwater (R., Ariz.), chairman of the Senate Intelligence Committee, made a successful bid to stem the damage by striking a compromise that allowed the CIA to continue the program until Sept. 30. Congress would later provide future funds only if the Reagan Administration submitted an acceptable redefinition of its goals in Central America.

A black eye?

Congressional sources say that, as of today, the CIA covert operation continues as before. But they acknowledge that some CIA operatives may have "lost some of their earlier enthusiasm."

As evidence, they cite recent phone calls to the committees from some covert action operatives to say they they simply followed administration orders and should not be blamed for the situation.

The sources say that some of the operatives also have expressed a desire to terminate the covert program because its "lid" has been blown by all the press publicity and the controversy.

CIA briefers, the sources say, have expressed a willingness to withdraw from the Nicaraguan campaign and turn it into an above-board arms interdiction campaign run by the Pentagon.

The CIA believes the FDN will be able to carry on its fight by itself, because of the support it has won from Nicaraguans who oppose the Sandinistas, the congressional sources said.

Regardless of whether the CIA forges on or retreats, however, it is likely to suffer another black eye, something that angers supporters such as Sen. Goldwater.

"Here we all are pointing our fingers at the instrument of policy rather than debating the policy itself," he told the Senate at an April 11 session. "Let us not shoot the messenger.

"All that matters is that the intelligence community, which is almost always called upon to implement covert action, is not left holding the bag."